5/22/87

ORDINANCE NO. 1068 (1986 SERIES) Effective: July 17, 1986

# AN ORDINANCE OF THE CITY OF SAN LUIS OBISPO AMENDING CHAPTER 17.88 OF THE MUNICIPAL CODE REGARDING RESIDENTIAL GROWTH MANAGEMENT

BE IT ORDAINED by the council of the City of San Luis Obispo as follows:

SECTION 1. Findings.

- 1. The proposed amendments refine and clarify the operation of growth management regulations, thereby reducing delays and uncertainty associated with development processing.
- 2. The proposed amendments are consistent with the general plan.
- 3. The proposed amendments would not adversely affect the environment and are categorically exempt (CEQA Section 15308).

SECTION 2. Chapter 17.88 of the Municipal Code is amended as shown in Exhibit "A".

SECTION 3. A summary of this ordinance, approved by the City Attorney, together with the ayes and noes, shall be published once in full, at least five (5) days prior to its final passage, in the Telegram-Tribune, a newspaper published and circulated in said city, and the same shall go into effect at the expiration of thirty (30) days after its said passage. A copy of the full text of this ordinance shall be on file in the office of the City Clerk on and after the date following introduction and passage to print and shall be available to any interested member of the public.

INTRODUCED AND PASSED TO PRINT by the Council of the City of San Luis Obispo, at its meeting held on the 20th day of May, 1986, on motion of Councilman Settle, seconded by Councilman Grifficand on the following roll call vote:

		Settle,	Griffin,	Dovey,	Rappa	and Mayore Dan GOVERNMENT AL
ABSENT:	None					MAY 2 1 1987

Mayor RON DUNIN

UNIVERSITY OF CALIFORNIA

ATTEST:

## Chapter 17.88

## Residential Growth Management Regulations

# Ordinance No. 1068 (1986 Series)

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Article I. General Provisions 17.88.010 Purpose and Justification A. The regulations codified in this chapter are intended to assure that the rate of population growth will not exceed the city's ability to assimilate new residents and to provide municipal services, consistent with the maximum growth rates established in the general plan. Regulation of the rate of growth is also intended to help provide the time needed to assess and overcome the resource limits which the city faces, and to assure that if development must be limited by resource availability, those projects which best meet the city's objectives for affordable housing, wise use of land and energy, and provision of public facilities will be allowed to proceed with minimum delay. San Luis Obispo is a charter city, empowered to make and enforce all laws concerning municipal affairs, subject only to the limitations of the City Charter and the Constitution and laws of the state of California. Regulation of the rate of residential development is a reasonable extension of municipal authority to plan overall development, in furtherance of the public health, safety and general welfare. C. According to the general plan land use element, the city should achieve a gradually reduced rate of population growth, with a maximum annual average of two percent considered appropriate during the 1980's and one percent after 1990. The rate of residential development has declined as projected during the mid 1970's. While this decline has occurred without municipal restrictions, the reserve of developable land within the city and the capacity of residential subdivisions, planned developments, apartment projects, and specific plans approved by the city could sustain growth rates which would exceed the objectives of the land use element. D. The land use element also conditions the annexation of large areas on the availability of adequate resources and the preparation of specific plans. These policies, together with adopted specific plan phasing provisions, reduce the likelihood that any property within the city might be deprived of reasonable development entitlements through the operation of these regulations. The city's general plan housing element, recognizing the number of households as a meaningful measure of community capacity and growth, calls for a steady rate of construction averaging about three hundred dwellings per year during the 1980's, corresponding to a two-percent growth rate and the limitations of these regulations. This level of housing construction has been determined to provide adequate expansion of the housing stock to accommodate both households formed from the local population and a reasonable share of those households expected to migrate to this area. The growth-rate policies of the land use element and housing element reflect the city's responsibility to accommodate a reasonable share of expected state and regional growth. In order to avoid further imbalances between the availability of jobs and housing within the city, the land use element and the housing element discourage expansion of growth-inducing activities. The burdens of growth management are not being placed solely on the residential sector, since it largely responds to demands caused by other sectors. 4-6

F.

- G. Considering the likely levels of housing demand and construction throughout the housing market area -- nearly coinciding with San Luis Obispo County -- these regulations are not expected to affect the overall balance between housing supply and demand in the market area. These regulations will not impede and may help meet the needs of low-wealth and moderate-wealth households.
  H. While there is apparently unlimited long term demand for housing due to migration, the resources to sustain population growth are limited. By managing its growth, the city intends to provide adequate time to decide on possible measures to overcome resource limits without acting i a crisis atmosphere, and to economize on city facility and service costs and maintain the quality of services.
  - I. As demonstrated by citizen's actions on various initiative and referendum measures, there is broad public concern with overall city size and the rate of growth.

    Adoption of these regulations is deemed a preferable alternative to possible additional voter-initiated measures or resource deficiencies which would limit development in ways less consistent with the city's objectives. (Ord. 940, 3 (part), 1982: prior code 9901)

# 17.88.020 Definitions

As used in this chapter, the following terms shall have the indicated meanings:

- A. <u>"Construction Permit"</u>: means the final city approval before construction may begin. Usually this will be the permit issued by the building division of the community development department. In the case of mobile home parks requiring no other entitlement from the city, it will be the use permit for the park.
- B. "Month": means calendar month. So far as possible the community development department and council shall adhere to a schedule divided into calendar months, with prompt reporting of conditions and actions on permits. Subject to the limitation of Section 17.88.110, the schedule may be adjusted on account of the council's meeting schedule, legal holidays or unforeseen events.
- C. "Residential Project": means the whole of any project containing residential uses. The construction of more than two dwellings at a time within an area approved as a single subdivision or architectural review application shall be considered one project, whether or not separate building permits are to be issued for each structure. The independent construction of one or more single dwellings or duplexes which are coincidentally within the same subdivision shall be considered a separate project.
- D. <u>"Affordable Housing Project"</u>: means any project which designates at least one-half of its dwelling units for low- or moderate-income households, as defined by the California Government Code Section 65915, and includes affordability guarantees for a period of not less than 20 years.
- E. "Ouarterly Period": means a three-month interval commencing on January 1, April 1, July 1, and October 1 of each calendar year.

F. "Director": shall mean the city's Community Development Director or his/her designated representative.

#### Article II. Permit Allocation Procedure

# 17.88.030 Annual and Quarterly Limits

A. If at the beginning of any quarterly period in a year listed in column (a) the total number of dwellings authorized by construction permits issued during the previous twenty-four months exceeds the number listed in column (b), no construction permits for any non-exempt residential project shall be issued until 1) the 24-month permit total drops below the limit in column (b), or 2) construction permits for at least the number of dwellings listed in column (c) have been scored and readied for issuance by the Community Development Department.

(a)	(b)	(c)
1984	600	75
1985	600	75
1986	600	75
1987	600	75
1988	600	75
1989	500	60
1990	400	60
1991	400	45
1992	300	45
1993	300	45
1994	300	45
1995	300	45
1996	300	45
1997	300	45
1998	300	45
1999	300	45

B. If at the beginning of the quarter, the Building Official has certified construction permit applications for a number of dwellings equal to or less than that specified in column (c) then permits otherwise ready for issuance shall be issued immediately. If the number of permits issued is less than the limit in column (c), the Director may issue additional permits during the quarter for projects in the order in which they are ready, up to the specified limit. Any unused permit allocation shall accrue and be carried forward for issuance in the following quarter(s), up to the total allocation for the four previous quarters.

The Director shall issue such accrued permits to projects which are otherwise eligible for permits on a first-come, first-served basis.

If at the beginning of the quarter, the Building Official has certified construction permit applications for more dwellings than that specified in column (c), then the council shall rank the projects based on their scores pursuant to Section 17.88.100, and permits shall be allocated only for those projects whose cumulative number of dwellings does not exceed the number specified in column (c), beginning with the project with the highest score and proceeding sequentially in order of descending scores.

C. This procedure shall be repeated quarterly until the appropriate cumulative total specified in column (b) is no longer exceeded. Any construction permit application which may not receive an allocation according to these regulations during the quarter shall be held and its score shall be compared with the scores of subsequent projects, so that each quarter those projects with the highest scores will be allocated construction permits, regardless of the order in which the construction permit applications were submitted or otherwise readied for issuance. (Ord. 1012 sec. 2, 1984: Ord. 940, sec. 3 (part), 1982: prior code sec. 9902.1).

## 17.88.040 Minor Exceptions to Quarterly Limitations

- A. The council may authorize issuance of permits for a project which, alone or cumulatively with other project, would cause the number of dwellings authorized to exceed the monthly limitation provided in Section 17.88.030, upon finding that:
  - 1. It is not feasible or desirable to construct the project in phases because it consists of a single building or integrated group of buildings; and
  - 2. Completion of the project would not significantly conflict with the long term objectives of these regulations, considering recent and anticipated construction levels.
- B. The council may in the case of all applications for the development of an affordable housing project consider an exemption under the terms of this section. (Ord. 1036 sect. 2, 1985: Ord. 940 sec. 3 (part), 1982: prior code sec. 9902.3).

## 17.88.050 Projects with Equal Scores

If two or more projects have the same score, order of issuance of construction permits shall be determined by size of project, so the project(s) with the fewest dwellings will be authorized first. If two or more projects having the same score are also the same size, order of issuance of construction permits shall be determined by date of application, so the complete application(s) submitted first will be issued first. (Ord. 940, 3 (part), 1982: prior code 9902.3)

#### 17.88.060 Group Quarters

Group quarters shall be regulated as provided for dwellings. Occupant capacity for each two and one-half persons shall be counted as one dwelling in tallying cumulative totals and in determining project size. (Ord. 940, 3 (part), 1982: prior code 9902.4)

# 17.88.070 Exempt Projects

The following types of projects shall be exempt from limitations on the issuance of construction permits and shall not be included in determining the number of specified in Section 17.88.030A, column (c). However, dwellings and group quarters projects of all size shall be included in determining the comparison with Section 17.88.030A, column (b):

A. Projects consisting of the independent construction of one or two dwellings;

- B. Group-quarters for occupancy by five or fewer persons;
- C. Projects replacing damaged or destroyed buildings on a one-for-one basis (these projects shall not be included in the determination of Section 17.88.030A, column (b);
- D. Remodeling or additions which result in not more than two dwellings, or a group-quarters capacity of more than five persons, in addition to those which existed before the remodeling or addition:
- E. Transient lodging, including housekeeping units in hotels or motels;
- F. Prior to January 1, 1985, only, any single-family dwelling to be constructed on a lot which existed upon the effective date of the regulations codified in this chapter (January 7, 1983);
- G. Projects which include their own growth management provisions pursuant to an approved specific plan or planned development, as defined by the Zoning Regulations sections 17.50 and 17.52.

# 17.88.080 Status of Construction Projects Not Pursued

Any project for which renewal of construction permits becomes necessary as provided in the building regulations shall be subject to the approval process of Section 17.88.030, whether or not a score has been assigned previously. (Ord. 940, 3 (part), 1982: prior code 9902.6)

# 17.88.090 Projects With Changed Characteristics

Once a project has been scored as provided in Sections 17.88.030 and 17.88.100, that score shall remain in effect unless:

- A. Relevant characteristics of the project change, the permit holder requests rescoring, and the Director assigns a different score; or
- B. Relevant characteristics of the project change in a manner that would result in a lower score if the project were evaluated with the new characteristics. In this case, the Director shall notify the project applicant and rescore the project as provided in Section 17.88.100.

# Article III. Scoring Projects

# 17.88.100 Standards -- Use of

Whenever these regulations require a project to be scored, the Director and council shall employ the following standards. There shall be a total of twenty-two points possible. The score received by a project shall be used only to determine the sequence of construction permit issuance in relation to other projects. The point scoring system shall not be construed to establish a minimum acceptable score:

Topic: Affordable Housing

#### Maximum Points Possible: 8

#### Project Features

Project provides publicly-owned or publicly assisted housing, where occupancy is restricted to low-income<sup>(1)</sup> households or those requiring special living accommodations.<sup>(2)</sup>

The sale price or monthly occupancy cost considering special financing, or rents, will be affordable to moderate-wealth households (those with incomes less than one hundred twenty percent of the county median income and with limited assets, such as property ownership), and there will be buyer or tenant screening and resale control mechanisms to assure continued affordability.

The project will be affordable to moderate-wealth households, but there will be no occupant screening or resale control.

## Examples

Housing owned or managed by the

housing owned or managed by the housing authority or other nonprofit sponsor, or providing below-market rents through a subsidy, with tenant screening.

## Criteria

i.	terms of Arrangement	
	a. 20 years or more	4
	b. 10-19 years	3
	c. 5-9 years	2
	d. less than 5 years	1
2.	Percentage of Units	
	a. 75 - 100%	4
	b. 25 - 74%	3
	c. less than 25%	2

The project includes below-market rate financing, equity sharing, or other cost-reducing features, and deed restrictions limiting appreciation.

## Criteria

1.	Terms of Arrangement	
	a. 20 years or more	3
	b. 5-19 years	2
	c. less than 5 years	1
2.	Percentage of Units	
	a. 75 - 100%	3
	b. 25 - 74%	2
	c. less than 25%	1

The dwellings and lots, if any, are of modest size and there are few or no unnecessary household devices or recreational amenities and developer provides documentation of intended selling price or rental rates.

**Points** 

1.	Unit	size or cost		4
	a.	Expected to be		
		to households		
		less than 120%		
		median and ar	e not larger than:	
		Studio	400sf	
		1-bedroom	600sf	
		2-bedroom	900sf	
		3-bedroom	1200sf	
		4-bedroom	1400sf	
	b.	Contains few u		2
		amenities and than:	are no larger	
		Studio	450sf	
		1-bedroom	800sf	
		2-bedroom	1100sf	
		3-bedroom	1400sf	
		4-bedroom	1600sf	

Criteria

The project will provide the least costly new housing of its type available in the city.

The developer documents that the project is intended to be marketed at or below the lowest price for that type of new housing currently available.

**Points** 

1

<sup>&</sup>lt;sup>1</sup>"Low Income" as defined in the California Government Code Sec. 65915

<sup>&</sup>lt;sup>2</sup>Handicapped, disabled, group homes or half-way houses.

TOPIC: Public Facilities/Amenities	Maximum Points Possible: 4	
Project Features	Examples	Points
Project provides facilities to help protect public health or safety which will benefit a wide area beyond the project site.	Alternate access will be provided to a neighborhood previously accessible by only one street; a water main will be looped to provide more reliable fire flows; a deficient sewer main will be replaced, eliminating backup problems in the neighborhood; a drainage obstruction effecting several acres of developed land will be removed.	2
Project provides facilities to help protect public health or safety which will benefit a limited area beyond the project site.	A partially improved street will be fully improved; a new fire hydrant serving several existing dwellings will be installed; a sewer line or drainage obstruction affecting a few neighboring properties will be corrected.	1
Project provides a public amenity which will benefit a wide area beyond the project site.	A major addition to a community park will be made; an open space area which would otherwise be developed will be protected in perpetuity, and the area contains valuable wildlife habitat or it is visible from a large part of the city; the project includes a facility which will be made available through time-sharing to community groups.	2
Project provides a public amenity which will benefit a limited area beyond the project site.	Sidewalk and street landscaping will be completed for a "gap" in a developed area; an open space area which would otherwise be developed will be protected in perpetuity, and the area is visible or accessible from neighboring properties; a bus passenger shelter will be built.	1
TOPIC: Location (infill/sequential develop	oment) Maximum Points Possible:	5
Project Features	Examples	<u>Points</u>
The project is within the developed area of the city as it existed upon adoption of these regulations.	Point values for various areas shall be as shown on Map Exhibit 1 (codified at the end of this chapter). These standards assume the site zoning allows residential use.	4

Project Features		
Project Features	Examples	Points
The project is within the city limits as they existed upon adoption of these regulations.		2
The project is within an expansion area identified in the general plan land use element as it existed upon adoption of these regulations.		1
The project is outside the city and outside expansion areas identified in the general plan land use element as it existed upon adoption of these regulations.		0
The project is inside or within convenient walking distance of a major activity center (employment, and services) as shown on Exhibit 1 (codified at the end of this chapter).		I
TOPIC: Public Transportation	Maximum Points Possible: 1	
Project Features	Examples	<u>Points</u>
Any point of public pedestrian access to the site is within nine hundred feet of an operating city bus route.		1
TOPIC: On-site Resource Conservation	Maximum Points Possible: 4	
Project Features	Examples	<u>Points</u>
The project will use substantially less energy than a project minimum state and local requirements.	The dwellings use active or passive solar systems for space and water heating.	2
The project will use somewhat less energy than a project meeting minimum state and local requirements.	The dwellings will be sited to take advantage of solar opportunities, and use active or passive solar systems for either space or water heating.	1

Project Features	Examples	<u>Points</u>
The project will use substantially less water than conventional development.	The project uses groundwater or recycled water for landscape irrigation no stream diversion or cross-connection with public system allowed.	2
The project will use somewhat less water than conventional development.	Landscape irrigation design includes water conserving features like drip irrigation or low-gallonage heads, or at least one-half of plants are drought tolerant.	1

# 17,88,110 Time Limit for Council Action.

Each project which must be scored according to these regulations shall be scored by the Director within forty-five days from the date when a complete construction permit application and plans are accepted by the Chief Building Official. Construction permits for projects which are not scored and are otherwise ready for issuance shall be deemed approved pursuant to these regulations upon the forty-sixth day. (Ord. 940 sec. 3 (part), 1982: prior code sec. 9904).

# Article IV. Administration and Enforcement

# 17.88.120 Community Development Director's Authority

The Community Development Director shall administer these regulations. Neither the Director nor the Chief Building Official shall issue any permit in conflict with these regulations.

# 17.88.130 City Council's Authority

The council shall score and rank projects. The council's decision shall be final. It shall not be necessary to hold a public hearing for the council to establish scores for projects. (Ord. 940 sec. 3 (part), 1982: prior code sec. 9906.2).

# 17.88.140 Assurance of Project Features

In order to assure that projects will be built and made available to occupants as indicated by an applicant when projects are scored, the city may enter into agreements, require the posting of bonds or other guarantees, withhold occupancy permits or other entitlements, or pursue other remedies provided in this code for failure to meet conditions imposed as part of project approval. (Ord. 940 sec. 3 (part), 1982: prior code sec. 9906.3).

Article V. Duration, Amendment and Review of Regulations, and Effective Date of Amendments

# 17.88.150 Duration -- Amendment

These regulations shall remain in effect no later than December 31, 1999, when they shall automatically expire. They may be amended or repealed at any time, as provided in this code. (Ord. 940 sec. 3 (part), 1982: prior code sec. 9907).

## 17.88.160 Review

Staff shall prepare an evaluation and report no later than January 31, 1989 concerning the effects of these regulations since amendment. (Ord. 940 sec. 3 (part), 1982: prior code sec. 9908).

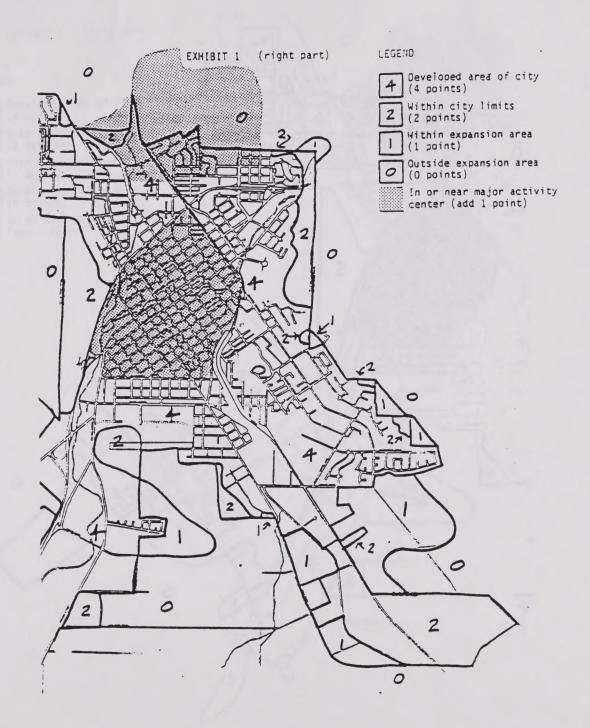
# 17.88.170 Effective Date of Amendments

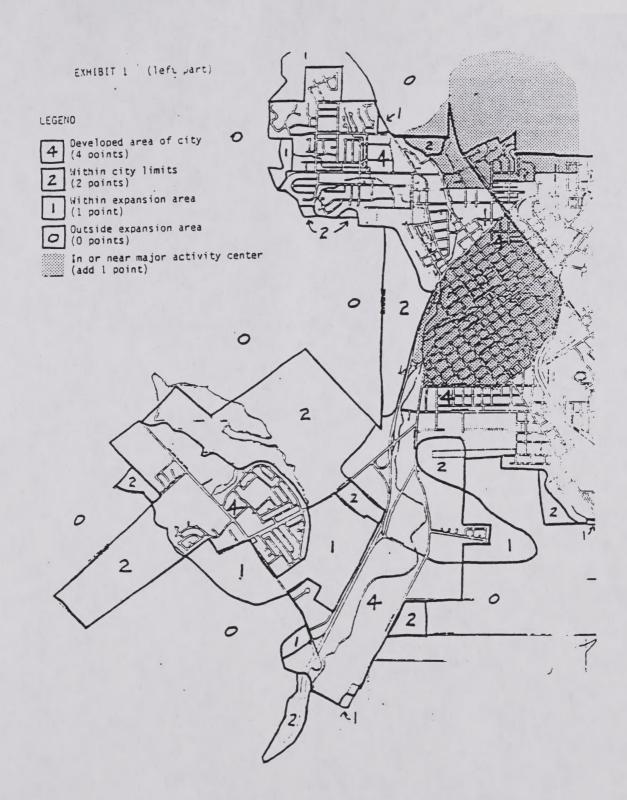
These amended regulations shall become effective 30 days after final passage. Any projects for which a complete construction application has been received by July 1, 1986 shall be eligible for ranking under the amended regulations.

# 17.88.180 Transitional Procedures

The Director shall score and rank the above projects as soon as possible (but in no case more than 45 days) after the effective date of the amended ordinance. This ranking shall be in-lieu of the June 1986 monthly ranking and permit allocation. The initial ranking and permit allocation shall be for 100 dwelling units (25 for June 1986 and 75 for the third quarter of 1986). After the initial ranking and permit issuance, all subsequent scoring, ranking, and permit issuance shall be as otherwise provided in this ordinance.









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